

VZCZCXR08946
RR RUEHMA RUEHPA
DE RUEHOS #0011/01 0101629
ZNR UUUUU ZZH
R 101629Z JAN 08
FM AMCONSUL LAGOS
TO RUEHC/SECSTATE WASHDC 9678
INFO RUEHZK/ECOWAS COLLECTIVE
RUEHUJA/AMEMBASSY ABUJA 9419
RUEHNY/AMEMBASSY OSLO 0164
RUFOADA/JAC MOLESWORTH AFB UK
RUEKJCS/SECDEF WASHINGTON DC
RUCPDOC/DEPT OF COMMERCE WASHDC
RHMCSUU/DEPT OF ENERGY WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHDC
RUEAIIA/CIA WASHINGTON DC
RHEFDIA/DIA WASHINGTON DC

UNCLAS SECTION 01 OF 02 LAGOS 000011

SIPDIS

SENSITIVE BUT UNCLASSIFIED - HANDLE ACCORDINGLY
SIPDIS

STATE FOR AF/W, INR/AA, DS/IP/AF, DS/ICI/PII, DS/DSS/OSAC
OSLO FOR HELENA SCHRADER
DOE FOR GPERSON, CAROLYN GAY
TREASURY FOR ASEVERENS, SRENENDER, DFIELDS
COMMERCE FOR KBURRESS
STATE PASS USTR FOR ASST USTR FLISER
STATE PASS TRANSPORTATION FOR MARAD
STATE PASS OPIC FOR ZHAN AND MSTUCKART
STATE PASS TDA FOR NCABOT
STATE PASS EXIM FOR JRICHTER
STATE PASS USAID FOR GWEYNAND AND SLAWAETZ

E.O. 12958: N/A

TAGS: PGOV PREL SENV NI
SUBJECT: NIGER DELTA DEVELOPMENT COMMISSION CHAIRMAN
OUTLINES AREAS FOR IMPROVEMENT

REF: ABUJA 23

¶1. (SBU) Summary: The Chairman of the Niger Delta Development Commission (NDDC) told the Consul General on January 3 that under President Yar'Adua the NDDC has begun to receive funding, a notable switch from President Obasanjo's days. The NDDC Master Plan is scheduled to develop the Niger Delta in 15 years with over USD 50 billion; however, three years into the Plan the Chairman could offer few successes. The Chairman would like the NDDC to tackle HIV/AIDS and unemployment and improve agriculture, industry and microfinance. End Summary.

Niger Delta Master Plan "Uncovered"

¶2. (U) Chairman of the Niger Delta Development Commission (NDDC), Ambassador Sam Edem, met the Consul General on January 3 and discussed in general the commission's accomplishment and the NDDC's Niger Delta Master Plan, conceived under former President Obasanjo. Edem said the Master Plan, which draws a 15 year roadmap beginning in 2005 to development in the Niger Delta, was created after extensive consultation with all levels of government, international oil companies (IOCs), and international bodies.

The plan is divided into three five-year phases and the budget during this period would total over USD 50 billion. The Master Plan is meant to harmonize federal, state, and local government budgets in the nine NDDC states (Ondo, Edo, Delta, Bayelsa, Rivers, Abia, Imo, Akwa Ibom, and Cross River), Edem said. (Note: Ambassador Edem joined the NDDC in ¶2005. Despite the Commission's eight years of existence, Edem had few achievements to share with us. End Note.)

Yar'Adua Provides More Consistent Funding

¶13. (SBU) The NDDC was created in 2000 under President Obasanjo and took approximately one year to become operational, according to Edem. While the NDDC is supposed to receive 15 percent of all GON oil revenue and 3 percent of the IOCs' annual budgets, Edem said this was in principle, not reality and that it is difficult to say how much was really received in the commission's coffers. (Note: According to the Nigeria Extractive Industries Transparency Initiative (NEITI) financial audit, the NDDC received over USD 360 million from IOCs between 2001 and 2004. End Note.)

¶14. (SBU) However, government /additional funding has begun to flow to the NDDC under President Yar'Adua and is being split between state and regional needs. (Comment: The NDDC has been referred to as a "political incubator" by political contacts in the run-up to the elections. While money may have left the GON and IOCs, its travel to development projects may have proved more difficult. End Comment.)

NDDC Focus Areas

¶15. (U) While the Niger Delta Master Plan is an exhaustive document listing numerous problems and recommendations for developing the region, Edem mentioned five specific areas the NDDC would like to pursue:

--HIV/AIDS: The NDDC has few partners in addressing HIV/AIDS; the Chairman expressed interest in partnering with the United

LAGOS 00000011 002 OF 002

States on this issue.

--Unemployment: The NDDC could provide skills training in the oil and gas industry. IOC assistance in identifying employment needs and training course quality/inspection would be much appreciated, he said.

--Agriculture: There are opportunities in pursuing agriculture. Nigeria imports USD 1.2 billion a year in rice from Asia; southern Nigeria has the potential to meet this need, he claimed.

--Industry: The petrochemical industry could attract investment, development, and employment to the region.

--Microfinance: Through microfinance indigenes could access funds for cottage industries and other needs.

¶16. (U) Edem said the NDDC would be interested in receiving U.S. assistance for health care delivery, skills training (through joint-ventures or direct investments) or scholarships for study in the oil and gas sector outside Nigeria (he criticized IOC omnibus scholarships for not focusing on the oil and gas sector).

Security & Infrastructural Challenges

¶17. (U) Edem said Delta and Akwa Ibom are fairly quiet despite having kidnappings in the past, but he admitted Bayelsa and Rivers are a "little more difficult," particularly given the recent attacks in Port Harcourt (reftel). He also admitted poor infrastructure is a major challenge to development in the Niger Delta, as is the short dry season (four to five months a year) for building roads and bridges. However, Edem commented the lack of oversight on the spending of the 13 percent derivation by governors is perhaps the largest challenge to infrastructural development in the region.

¶18. (SBU) Comment: The NDDC has a reputation for not delivering on its mandate. It also shows a disturbing lack of transparency. While the relatively new Master Plan offers a new direction for the commission, it remains to be seen

whether it will receive the funding and oversight it needs.
End Comment.

¶9. (U) The cable was cleared by Embassy Abuja.
BLAIR